THE CHINA WEEKLY REVIEW

密勒氏評論報

A Weekly Newspaper Established In 1917

July 23, 1949

NEW HERESY

AN EDITORIAL

The Evening Post Dispute

Statements by Randall Gould, Fred T. Douglas and the Workers of the Post

Lu Hsin---China's Gorky

Lawrence W. T. Chen

Current Industrial Conditions

Report on Shanghai's Machine, Silk, Paper and Oil Pressing Industries

CRACKDOWN IN JAPAN?

AN EDITORIAL

VOLUME 114 JMP700 NUMBER 8

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Intellectuals

To the Editor:

In any social change in this country the intelligentsia have always played the role of heralds or acted like a bridge. But, because most of the intelligentsia come from the petty bourgeoisie, they often appear egoistic and changeable. They can take the role of heralds; yet there is also a possibility that they later will become worse than useless in implementing social developments.

We are fortunate in witnessing the present period of change in China. Many intellectuals are participating in the change. Yet there are some who are still in misty ignorance, some who intend to refrain from mingling with the new society, some who act as the "running dogs" of the reactionary elements, and some who are disappointed with the immediate difficulties and lack the courage to look forward.

There are two courses for such people to take. One leads to the people and the other goes in the opposite direction. As President Roosevelt said, the twentieth century is a century of the people. Anything or anybody working against the people will fail. Only by taking the same side as the people will the intellectuals find hope. The old-fashioned ideas of intellectuals should be wiped out and they should turn out new men who will stand with the people and work for them.

HINSON YEH

Hangchow,
July 20, 1949

Euphemism

To the Editor:

May I draw your attention to the use of the word "euphonism" in the *Review's* English Lesson—LXXXVIII—of July 9, 1949, in connection with the definition of "recession" (You used the word as follows: "recession: Literally, the act of going back, withdrawal. In business terminology, it is a polite term (euphonism) for a depression....") The dictionary definition of "euphonism" is "pleasant sounding", from the Greek *eu*, agreeable, plus *phone*, voice. Good usage requires that the word be used only in relation to sound or voice.

It appears to me that the more precise word to convey your idea would be "euphemism," a mild or agreeable expression substituted for a realistic description of something disagreeable, from the Greek "euphemismos,", *eu*, well plus *phemi*, speak.

It would be euphemistic to refer to your error as an oversight; your correction of this error, if wired for sound would, it is hoped, be euphonious.

A READER

Shanghai,
July 14, 1949

("A Reader" is right; our thanks for his lucid explanation of these two terms, an invitation to contribute to the Review's English Lesson.—Editor).

THE CHINA WEEKLY REVIEW

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Esperantists

To the Editor:

On July 14, the sixty-second anniversary of the international language invented by Dr. Zamenhof—Esperanto, the local esperantists held a preparatory meeting to re-establish the Sanhaja Esperantista Ligo (Shanghai Esperantist's League) which has been suspended since the outbreak of the Sino-Japanese War.

The esperanto movement in China has long been recognized as an important factor in the whole international esperanto movement. But, as we know, under the reactionary Kuomintang regime, any progressive activity, especially a cultural one, was banned. The esperantists' idea of the world is a cosmopolitan one. After World War I, esperantists began to become more revolutionary than neutral as far as their attitudes toward the struggle between capitalists and the proletariat was concerned.

At the meeting the local esperantists agreed on their future activities. First of all, they reaffirmed their stand that they were not only disciples of Zamenhof, but also of Marx and Lenin. Then they shouted slogans: "Domestically, we are for New Democracy; internationally, we are for peace."

The members of S.E.L. hope that local foreign comrades will join them. The temporary address is 28 Chao Tung Road, Shanghai.

CHANG YEN

Kaochiao, Pootung
July 16, 1949

Car Tax

To The Editor:

The car tax is steep but maybe it will bring in enough money to buy some more public buses for Shanghai. We'll be all right as long as there's no tax on shoes!

FUTURE WALKER.

Shanghai
July 19, 1949

THE CHINA WEEKLY REVIEW
密勒氏評論報
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The editorial pages present each week the opinions of the editor. The other pages of The China Weekly Review are written by the other members of the staff and the contributing editors who report and interpret the news irrespective of the views expressed in the editorials.

Vol. 114 Shanghai, Saturday, July 23, 1949 No. 8

New Heresy

POPE Pius XII has now formally aligned the Roman Catholic Church on one side of the cold war by proclaiming that Catholics who profess the doctrines of communism are to be excommunicated by the Church. The Vatican has ruled that it is unlawful in the eyes of the Church either "to be a Communist or to condone communism." It also warns Catholics that it is unlawful even to read Communist literature and that the sacraments of the Church will be denied those who expose themselves to such heresy.

The Supreme Congregation of the Holy Office explained the action of the Church by stating that "Communism is in fact materialistic and anti-Christ. Catholics who practise communism, though they declare they have not given up their religion, are in fact by their activities hostile to God and to the true religion of the Church of Christ."

There is nothing particularly new in this statement, since for years the Catholic Church has been preaching that communism and Christianity are incompatible. What is striking is the fact that sufficient numbers of the faithful have been disregarding the Church's teaching to make it necessary to adopt the most drastic action of which the Church is capable.

The decree is thought to be aimed particularly at the new democracies of Eastern Europe—Hungary, Czechoslovakia, and Poland—who have large Catholic populations, and at certain western European nations, such as Italy and France, which are heavily Catholic and also have large Communist parties. In Poland, for example, 91 percent of the population is Catholic; in Hungary 75 percent; and in Czechoslovakia 65 percent. In all these countries, the Communist Party is strong and there must be millions of people who profess both communism and Catholicism.

Moreover, the battle between the Church and state in several of the Eastern European countries has split the ranks of the Church. In Hungary, for example, Cardinal Mindzenty was not fighting the government alone. After the popular Catholic newspaper *Magyar Nemzet* criticized his "terrible inflexibility," he officially threatened to excommunicate any Catholic who either in the press or in public criticized him personally or any aspect of his policies.

The intra-Church fight has been even more marked in Czechoslovakia. There, Archbishop Joseph Beran has repeatedly warned that excommunication would be automatic for priests who cooperated with the government against the interests of the Church, and he specifically singled out membership in the Catholic Action Committee, which advocates an agreement between the Church and state, as an offense. Despite this, *Reuter* reported from Prague on July 5 that "substantial numbers of priests and other Catholics have joined the movement" and that more than half of the nation's 4,500 priests had, according to church sources, "excommunicated themselves." The Catholic Action Committee, *Reuter* added, "has taken over much of the Church administration" and the Church is being "largely run by priests who should not, according to canon law, even set foot inside a church."

Since, in these two countries, the threat of excommunication has been used freely by the hierarchy as a weapon in the Church-state dispute, there is nothing particularly new in the Pope's pronouncement as it affects Hungarian and Czechoslovak Catholics. It would appear that one of two things, or both, was considered: 1) to give official sanction to the actions of the primates in those countries, and 2) to exert additional pressure on Catholics who might, because of the local issues involved, be inclined to regard the measures taken by their primates as being motivated by political, rather than ecclesiastical considerations. In either case, it seems hardly likely that the measure will be very successful, particularly in Czechoslovakia, where there appears to be such a state of anarchy within the ranks of the Church that the Pope's action may merely serve to hasten the coming of a formal schism and the establishment of a rival Catholic church.

In Italy and France the edict is designed to cut into the Communist vote, since it in effect forbids Catholics to vote for a Communist ticket. However, this, too, has been tried before. In the Italian elections of last year the same threat was used by the Church. The *United Press* reported a few days before the election that "parish priests, carrying the Vatican message that failure to vote is a mortal sin and that support of the Communists means loss of the Holy Sacraments, have been the largest force in the government's fight against the left." While it is impossible to know exactly what effect this had on the election returns, it is significant to recall that almost 7,000,000 Italians, in a country where Catholicism is the official religion, overrode the Church to vote for Communist and popular front candidates. The predictions of those who declare, as did the *Associated Press*, that not "more than a handful" of the millions of Catholics who have been voting for Communists in these two countries will do so in the future, seem highly doubtful.

* * *

IT is interesting to speculate on why the Roman Catholic Church has chosen to engage so actively in temporal affairs since the war. It has

been the traditional stand of the Church that it is concerned only with spiritual affairs and cannot concern itself with ephemoral political changes. During the war, for example, the Church managed to remain the spiritual abode of Catholics fighting on both sides by insisting that it stood above the hostilities that were tearing the world in two. Even earlier, the Church accommodated itself to fascism in Italy by signing a concordat with Mussolini, and it has experienced no difficulty in co-existing with dictatorships in Spain and Argentina. At no time did it rally Catholics to oppose the rise of a fascist dictatorship. To any criticism that was made of the Church's position, the answer was always the same: The Church is above political affairs of this world. Its concern is the soul of man and the moral values pertaining thereto.

Now, apparently, the Church that cooperated peacefully with Hitler, Mussolini, Franco and Peron, has decided that it cannot extend the same tolerance to the new democracies of Eastern Europe and China or to any other country where communism becomes an important political factor. In adopting this uncompromising position, the Church is gambling for its future existence as the one, universal Church of Christ. By refusing the sacraments—and this means the rites that sanctify the most important events in an individual's life: birth, matrimony, and death—to Catholics who support communism, the Church is saying to the millions of Catholics in Eastern Europe, "Overthrow your government or cease to be Catholics." The Church must therefore be successful as a counter-revolutionary force or see its spiritual kingdom shrink to the environs of the anti-Communist countries and its fortunes rise or wane with theirs.

Crackdown In Japan?

RECENT press dispatches from Tokyo have led many observers to predict that American and Japanese officials are laying the groundwork for a crackdown on the Japanese Communists and any other groups which fail to endorse the increasingly reactionary policies being put into effect in that country by the American occupation officials and the present Japanese government.

It is hardly necessary to point out that in the nearly four years of the American postwar occupation, the policies followed by General MacArthur have been growing more and more reactionary. From an original idea of turning Japan inside out and altering her entire social set up, American policy has progressively shifted until now it seems bent upon preserving as much of the old "system" as possible. This statement cannot be dismissed as merely a Communist or leftist view. Many moderate or conservative individuals or groups, such as the Foreign Policy Association, have issued documented studies showing how the character of the Occupation has changed until there is now a danger that a militant Japan, governed by the same group which held power before the war, may again rise as a threat to world peace.

It doesn't take much imagination to see that the basic reason for this change in policy is opposition to and fear of communism. At least that is the excuse being given by MacArthur and his Japanese collaborators. Whether they are primarily motivated by an honest fear of communism or whether they are principally interested in turning the clock back historically and are using the word "communism" as a smoke screen only time will tell.

The fact remains, though, that the outlook of the Occupation has changed materially. The original purge lists of undesirable Japanese have been trimmed so that men who were anathema to MacArthur a couple of years or so ago are now eligible for public office with MacArthur's blessings. Lists of Japanese Zaibatsu monopolies, which were once accused of major responsibility for the country's policies of aggression, have been "revised" so that less and less of Japan's old cartels will be broken up. This move, says MacArthur, the man who once lambasted the Zaibatsu, is in the interest of the Japanese economy. Labor unions, a rarity in prewar Japan, were encouraged immediately after VJ Day. Today, the same occupation authority which promoted trade unionism, is responsible for the anti-labor legislation passed by the Japanese Diet. This, too, is in the interest of a "stable" economy.

It now appears that the scene is being prepared for outlawing or otherwise restricting the Japanese Communist Party. Recent policies of the Occupation have been so reactionary and so unpopular with the Japanese people that considerable opposition has arisen. For example, on the excuse of necessary government economy, it is planned to lay off some 140,000 employees of public organizations, such as the railways. Naturally, the workers object to such a stupid method of coping with an economic problem. Strikes, mass meetings—which now require special police permits — and other manifestations of labor's dissatisfaction with the policies of the government are being countered with increasingly arbitrary acts of repression.

It is now getting to the point where anybody who dares to disagree with MacArthur and the present reactionary Japanese government is in danger of being called a "red." Such a situation might not have appeared so serious in the past, but with General MacArthur's Fourth of July speech in which he very plainly hinted at the idea of outlawing the Communist Party in Japan, this anti-red campaign takes on more significance.

If MacArthur can convince the American people that all of Japan's troubles stem from Communist obstruction, they may be more amenable to the suppression of this political party. If suppression is "legalized" and carried out, the weapon being put into the hands of the present Japanese regime is indeed fearful. With such a club, all opposition, even at the polls, can be suppressed with force on the charge that it is Communist or Communist-inspired. The road will then be clear for a speedy return to the prewar pattern of fascism.

Since MacArthur's speech, the papers have been full of stories attempting to show that the

General knew that he was talking about. Prior to his speech, only a certain amount of Japan's troubles were being publicly blamed on the Communist Party. Now, however, everything that is wrong is the result of Communist obstruction or disruption. Every demonstration of Japanese workers protesting the government's arbitrary decision to fire employees is blamed on the Communists. Presumably, SCAP believes that if it were not for Communist instigation, these tens of thousands of workers would cheerfully accept starvation, despite the fact that in Japan tradition forbids the firing of a man once he is hired and proves capable.

The simple fact, which is being ignored—purposely or otherwise—by MacArthur and the Japanese government, is that the decision to reduce expenses by the immediate discharge of more than 100,000 civil servants, is bound to create legitimate labor trouble. This is even more true when it is realized that so far absolutely no provision is being made for the employment or even relief of these discharged men. The situation is also worsened by the fact that private Japanese industrialists, seeing in this situation an excellent chance to discipline workers and reduce payrolls, are taking their cue from the government and firing many of their own workers out of hand.

This wholesale firing process is being done on the pretext of economy, but it is obvious that one of the main motives, if not the chief one, behind it is to break the back of Japan's labor unions. If the unions cannot prevent employers from firing workers, then the appeal of the union is lessened. Once the number of unemployed becomes great enough, the hungrier ones will begin applying for their old jobs on management's terms. The sum result of this "economy" move, providing the Japanese government and the private employers get away with it, will be to break the Japanese labor unions. The allegation that a country's economic problems can be solved by increasing the ranks of the unemployed, is, of course, nonsense. When a man's production drops, his consumption also declines, and the more the markets shrink, the less jobs there are for producers. Deliberate creation of unemployment, is not only no solution to the problem, but increases its severity.

It has been charged lately that the success of the Communists in leading the People's revolution in China constitutes a threat to the development of a "democratic" Japan. From where we sit, it seems more likely that the type of Japan which is developing under American tutelage will shortly constitute a threat to the People's China.

Christian "Civilization"

THE Dutch Reformed Church Congress in Johannesburg has called upon the government of the Union of South Africa to petition the government of Great Britain to withhold recognition of Seretse Khama as the paramount chief of the Banangwato tribe in Bechuanaland.

The reason why the Dutch Reformed Church wants recognition withheld from Seretse Khama is that this African tribal chieftain married a white British woman in England and proposed to bring her back to Africa as his queen. The church, according to a *Reuter* report published here, objects to marriages between people having different color skins.

"TIMES HAVE CHANGED"

Uzanas in The Hartford Courant

In its petition to the South African government, the church expressed disapproval of the doctrine of equality and assimilation of white and non-white people. Such a doctrine, the church said, was calculated to destroy race purity and promote the downfall of Christian civilization in South Africa.

Many readers will recall that the marriage of Seretse Khama was commented upon throughout the world sometime ago when his tribe in Africa, numbering some 6,000 people, held a conference to discuss whether or not they wanted him to bring a "white" queen back to Africa. The tribe voted to welcome its chief back, despite the opposition of the acting regent and a number of the more important nobles.

It is fairly easy to understand why some members of the tribe might object to the chief bringing home a foreign wife. Such a move would certainly tend to upset calculations about the inheritance of the title and also would probably complicate all the palace politics. It is also quite possible that some of the nobles, who have political ambitions, might welcome such a situation as providing an excuse to throw title to the throne in doubt, hoping to profit personally from any reshuffling of royal families.

It seems that, for one reason or another, the prospect of a foreign queen did create quite a stir, necessitating the calling of a general tribal conference. The meeting, however, seemed to settle the matter and ensured the present ruler's right to the chieftainship, regardless of the color of his wife's skin.

Now, though, opposition has developed from another quarter — the Dutch Reformed Church. We might expect opposition from one or more sections of South Africa's non-native population in view of the general attitude of the foreign immigrants toward the native Africans. In order to maintain their position of dominance,

the South Africans of European ancestry have set up laws which restrict the native and which are calculated to prevent him from making any moves to better his condition, politically, economically, or socially. It is, in effect, an extreme version of Jim Crow as practiced to a greater or lesser degree in the southern states in America.

The interesting thing in this case is the source from which the objection comes. One might presume that a Christian church, based in theory at least upon the teachings of Christ, would be a leader in advocating tolerance and brotherly love. This very apparently is not the case. What's more, in providing an excuse for its opposition, the church states that, in contrast to the usually accepted principles of Christianity, it does not approve of racial equality and that acceptance of such a theory might lead to the downfall of "Christian 'Civilization'" in South Africa.

The danger of such statements is that they employ words which have a generally good connotation merely because those people making such pronouncements know that a frank admission of their own, narrow, partisan stand would arouse opposition instead of sympathy. This petition by the Dutch Reformed Church is a good example of how a weak and untenable position may be bolstered by the dishonest practice of confusion of words.

The expression "Christian civilization," has in many parts of the world come to stand for a desirable situation. This is especially true in Europe and America from where Christian missionaries have for years been setting out for Africa in an effort to carry the teachings of Christ to the primitive African natives.

Many other people have been going to Africa, too, during the years until there now are sizeable settlements of European colonialists in various parts of the continent. One of the most important such settlements is the Union of South Africa, an area with vast mineral and other types of wealth which has yet to be fully developed. Life for the European settler in South Africa has been relatively good because he was living in the midst of plenty. Further, the natives are a very primitive people, many of whom still live under a tribal social system, and can be easily cheated. Life can continue to be very good for the white settlers if they can make the black natives do most of the work on a sub-human basis. However, even in Africa times are changing and the natives, seeing the wealth which the newly arrived are able to acquire, naturally desire a little for themselves.

If the natives are able to raise their status, the emigrants will lose their present position of economic, social, and political dominance. Apparently, they do not want this to happen, despite the fact that they claim to be Christians. The methods they have used to maintain their privileged position have been brutal repression of the natives, who, unarmed, can only comply with the wishes of their white masters.

It is into this situation that Seretse Khan, a tribal chief who has married a London typist, has stepped. If this native is allowed to return home with a white wife, it will be an opening wedge aganst the myth of white supremacy which the whites have laboriously built up in South Africa. The case has been greatly publicized and the Africans are sure to reason that if one of their chiefs has a white wife then there must be something wrong with what the white men have been saying. If one native African has a white wife and is able to live happily with her, what, then, is the difference between white men and black men aside from the color of the skin?

The Dutch Reformed Church has been quick to sense the dangerous implications which this case may pose and have been equally quick to act. They correctly see it as a threat to their position of privilege and, in casting about for a handy weapon of attack, have cried out against it as being a threat to an institution which they know is dear to the hearts of the vast majority of the British people at home—Christian civilization. Of course it is no threat to Christian civilization, but it is a real threat to the social system which the white immigrants have forcibly imposed upon the African natives. The error obviously lies in the identifying of South Africa's civilization as being a "Christian" one.

Ship Passenger Rules

THE Navigation Bureau late last week issued a set of 10 rules governing the conditions under which ships entering and leaving Shanghai may carry passengers. While we have had some such regulations all along, they were, as was so often the case in the past, merely on paper and had no bearing upon the situation whatsoever. The announcement of these new regulations should constitute an important step in improving what has in the past been an almost intolerable situation.

For a good many years, it has been common knowledge that ships plying the inland and coastal routes have been dangerously overcrowded and frequently have carried little or no safety equipment. Periodically, after a major disaster, there has been some talk about reforming the system, but the matter has rarely progressed past the "discussion" stage.

If anyone were ever really in doubt about the seriousness of this problem, the series of catastrophic losses suffered in the few months preceding the liberation of this area should have convinced them that reform was necessary. The sinking of the S. S. Kiangya just off Shanghai was the greatest marine disaster in terms of loss of life of all time. An estimated 4,000 to 6,000 people were drowned, although the exact number probably will never be known since there was no official record of the number or names of the passengers. Suffice to say, bodies were washed up weeks later as far away as Japan.

In the past it has been difficult to pick out one single group and place responsibility for the overcrowding. The ship owners frequently were at the mercy of the military or other branches

of officialdom who frequently would order a shipping firm to put aboard several score or hundred troops, officials, or bureaucrats' families at the last minute.

On other occasions the overcrowding resulted from the selling of "yellow fish" tickets by underpaid crew members, while in some cases groups of soldiers or even civilian passengers would simply board a vessel by force and refuse to leave. Upon occasion the shippers themselves, faced with a generally unprofitable business, undoubtedly tried to make each trip earn the maximum revenue possible by continuing to sell tickets until there was not even standing room left.

Basically, this problem and the many others besetting the shipping industry resulted from the shortage of all means of transportation. With rail and highway service disrupted by the war and with China's coastal and inland fleet reduced greatly, there simply was not enough transportation available for the legitimate needs of the public. Out of this situation all manner of rackets developed.

Now that the worst evils have been swept away along with the KMT in that official corruption and oppression is finished, the future looks more promising than at any time in many years. Already several shipping firms are undertaking extensive construction programs in an effort to rebuild their fleets. In due course, the shortage should certainly be licked.

Meanwhile, the authorities have obviously realized the unsatisfactory situation prevailing in regard to overcrowding and have moved to cope with the problem. For the time being, the old regulations governing the number of passengers to be carried will be retained. This means that the existing regulations governing each ship's maximum passenger load, which were never observed in the past, will be enforced pending the reviewing of the whole matter and the setting up of a new method of deciding upon load limits.

When a ship is found to be overloaded or to be carrying passengers without permit, the ship will not be allowed to sail. Police and army personnel will supervise the disembarkation of excess passengers or those without proper tickets.

If a shipping firm sells more tickets than it is supposed to, it will be punished, with the penalty ranging from publishing an official apology for the first offense up to fines, publication of an apology, and confiscation of the money received by the oversale of tickets for repeated violations.

The captain shall be held responsible for complying with these regulations and should inspect his ship to make sure that all is in order before getting ready to sail.

These seem to be very practical regulations and should go a long way toward improving the local shipping situation. With the readjustment to a normal economy, it should be possible to continue the good start already made by additional measures such as, say, increasing the minimum required safety devices, etc. However, many desirable improvements may have to wait for the future since the present need is great and only the most obvious evils can be tackled today.

25 Years Ago in *The China Weekly Review*

July 19, 1924

What China Needs

What China needs, therefore, along with material, educational and spiritual development is a *great interpreter* of its soul, of its civilization and life, of the very being of China of the present day. This interpretation *may* come along any one, or even more than one, of several routes: architecture, sculpture, literature, philosophy, science, religion, but come it must if China is ever to rise from its ashes and take its seat at the Council Table of the Nations by right of intrinsic merit rather than as a Pawn in the great international Chess Game as has been the case during the past few years. At present there is no such interpreter; to be sure we do not forget an occasional well-known diplomat of the school of Talleyrand or a popular and even artistic actor, or even one really distinguished scientist in Manchuria. These, however, are not the ones who can do what we have been speaking of above. The need is great, the task is tremendous, the reward will be in proportion to the importance of the task and the ability with which it is accomplished.

From—"What China Greatly Needs—An Interpreter."

* * *

Canton's Waitresses

The waitresses in the tea-houses and restaurants in Canton are much vexed these days over the intention of the police to stop their being employed, an act they consider most despotic and unjust. The reason moving the police to interfere with their employment is that certain waitresses have lately been mixed up in scandals. The waitresses, while admitting some of the charges, state that there have been no worse scandals than those involving officials and soldiers these days and that they will be glad to withdraw from serving around the tables, provided that the officials and soldiers will withdraw from the country at the same time.

10 Years Ago In *The China Weekly Review*

July 22, 1939

Soviet Planes Bomb Jap-Held Cities

Carrying the undeclared Soviet-Japanese war into Manchukuo territory following the recent expulsion of Soviet and Outer Mongol troops from the territory east of the Khalka River in the Lake Buir region, Soviet and Outer Mongol planes this week staged air raids on two towns in Manchukuo territory, according to *Domei* dispatches.

Fularki, a railway town 185 miles from the nearest border point, was raided during the dark morning hours of July 16. Eight bombs were dropped, wounding seven civilians (Russian and Chinese) and destroying two homes. Officials in Hsinking charged that the attack was indiscriminate and deliberately aimed at civilians in order to create panic among the population.....

* * *

Speculator Trouble

In another effort to check the speculative buying of foreign exchange on the Shanghai market, local Chinese banks this week took parallel but unofficial action in refusing to accept bank notes bearing the names of Tientsin and other North China cities.

Local Chinese bank officials denied that any regulation banning the acceptance of North China *fapi* notes has been issued. They admitted, however, that the banks here, deeming that such action is advisable, have unofficially decided to refuse the acceptance of the Tientsin and other North China city notes.

During the past few weeks, Chinese reports revealed, a large number of speculators have bought heavily on the local foreign exchange markets with North China notes. The foreign currency they thus obtained was sold at a large profit in North China.

The Evening Post Dispute

ON June 15 the American-owned *Shanghai Evening Post And Mercury* failed to appear because of a dispute between the editor and the workers. The paper has not resumed publication and, according to the editor, Mr. Randall Gould, it is closed for good.

Thus Shanghai lost its last American operated daily newspaper.

While the closure of one newspaper in one city of the world might ordinarily be of relatively small importance, there are several aspects of the current case which make it a matter of some import.

First, the paper is well-known, both in China and abroad, since it has been generally regarded as reflecting the views of the American business community in this Chinese city for the past two decades.

Second, its closure leaves the rather substantial foreign population in Shanghai with only one remaining daily published in the English language, the British-owned *North-China Daily News*.

Last and most important is the controversy which has arisen because of the circumstances under which it closed.

During the past month there have been so many charges and countercharges that the basic issues involved have been somewhat obscured. There is a possibility that some of this "muddying of the waters" has been done deliberately by one or more interested parties. Certainly, the reports reaching us here from America indicate that the incident has been seized upon there as a political issue designed to "prove" that the new government of China is hostile to the idea of a free and responsible press.

We do not believe that such a view is justified. The *Review*, as the last American-owned publication remaining in China, deeply regrets to see the demise of its contemporary. This would be true no matter how the paper closed. However, since, in our considered view, the closure has not been effected as the result of any clear-cut issue, we especially hate to see the *Post* go. This kind of controversy is always bad. Coming at such a time, when Sino-American relations are particularly delicate, it is a tragedy.

In an effort to present to our readers as full a picture of this issue as possible, we have secured statements from the principal parties involved. Following are three views of the issue. The first is by Mr. Randall Gould, editor of the *Shanghai Evening Post and Mercury*. Second is the statement of Mr. Fred T. Douglas, former business manager of the *Post* and, last, is a statement drawn up by the workers of the *Post*.

STATEMENT BY RANDALL GOULD

Former Editor, Shanghai Evening Post & Mercury

TROUBLES of Post-Mercury Co., Federal Inc., USA, seem to me unique in one respect and similar to those of many other private companies in China in two others. These follow:

1) The problem of press freedom and editorial responsibility.

2) Freedom of management to manage without the introduction of new theories of interference by workers and/or officials.

3) Freedom of ownership to shut down, within ordinary limitations imposed by law in places where there is law.

Dealing with our own problems initially on a chronological basis:

On June 14 three executives were unexpectedly locked in by the union of workers and staff until nearly midnight as result of sudden demand that there be then and there a final settlement on new basis of wages. Wages on an admittedly imperfect basis were then being paid in advance and it had been intended to pay half a month in advance on June 15. At no time had management any idea other than to reach an early, amicable and generous solution, though not under duress.

Disputed Story

On June 15 I personally wrote for the *Shanghai Evening Post and Mercury* a labor news story dealing first with citywide problems occasioned by the authorities' failure to announce a new wage formula, as had been generally anticipated; then secondarily relating in detail the story of our own lock-in the night before. With the paper on the press at 2:50 p.m., ten minutes before presstime and with all pages OK'd by the news editor, a labor delegation suddenly presented to me, through our then business manager by telephone from his office, a request that this story be taken out of the paper. I refused. Immediately afterward I went home, hoping that by such action I would cause the workers to reverse their unprecedented position; in this I was wrong. The June 15 paper was to my knowledge never printed, even to the extent of a "token" printing of 25 copies which I subsequently ordered partly in an effort to re-establish my authority and partly for the information of various persons and officials including primarily our owner, C. V. Starr.

Due to the condition of insubordination in our plant which was manifested by the failure to print our June 15 issue, I ordered that no members of our editorial department show up for work on June 16 or until further notice, nor did I myself go to the office. On the question of what went into the newspaper, I would brook no compromise, a position previously discussed with our owner and subsequently re-endorsed by him.

On June 22 I resigned as editor of the *Shanghai Evening Post and Mercury*, though retaining for purposes of assisting in liquidation my position as president of Post-Mercury Co., Federal Inc., USA. I admit that I had not long foreseen any such possibility but I was motivated by reasons which I regarded, and still regard, as vital and compelling.

On June 23 I advised the Foreign Affairs Bureau of the Military Control Council of my resignation as editor. On the same date I advised the *Post* union of workers and staff both of this action, and also (in my continuing capacity as company president) of the decision to suspend all functions of the company as of June 30, 1949. At the same time various notifications were given job printing customers who had work in progress.

C. V. Starr, chairman of our board and owner of our company, has concurred in the foregoing decisions. He has ordered the plant shut down as of June 30, has confirmed my appointment of Franklin & Bryan as *Post-Mercury* agents to settle claims, and has made clear that he holds himself financially responsible only for claims including June 30.

Position Misrepresented

We do not feel that our position is in any way controversial though in some quarters it has been misunderstood, in some quarters it has been misrepresented, and it has in vital aspects been ignored by the press both Chinese and English language. The wage issue has never been of fundamental or permanent importance. Within the month of June the whole question of Starr Group wages in Shanghai was settled through decision of K. K. Tse, acting in Hongkong for Mr. Starr. Since then Mr. Starr has confirmed that

Post-Mercury wages must conform to the Group formula.

At all times it has been possible to resume publication, and my belief is that both labor and officials desire that we resume publication. Nonetheless we shall not do so although perhaps some purchaser of our plant may start another newspaper under another name.

It is not my desire to embark within brief space upon any elaborate discussion of freedom of the press in Shanghai at present, nor is it possible for me to admit for one moment any queston as to the doctrine of Mr. Starr in a radio reply to our union, sent from Manila on June 18, wherein he laid it down as my view in which he concurred that the editor must have sole unlimited authority over the contents of the news and editorial columns, subject only to government censorship for reasons of military security. However, I am willing to state that in my opinion the action of the Military Control Council in summoning R. T. Peyton-Griffin of the *North-China Daily News* on June 22 was adequate endorsement of the theory of editorial responsibility to which I myself adhere; and the subsequent doctrine of editorial guarantee laid down as result of that same case imperils henceforth every editor subject to control by our present regime. I may add that I doubt whether many editors will suffer the full potential consequences of this doctrine, but what goes on in the mind of an editor is very important.

Starr Won't Yield

My own position in this whole affair has become insignificant. Although still president of the company, I have authority only to wind up its affairs in company with the Messrs. Bryan, as agent, and Charles S. Miner, as co-adviser to Mr. Bryan. None of us has any appreciable funds and those familiar with Mr. Starr's character will not expect him to yield to tactics of mob rule or coercion, especially since he himself is not in China and we of his executives who are in China do not intend to let our personal peril frighten us into subjecting him to blackmail. Mr. Starr will try to do what is right, and we shall do our best to advise him as to what is right; that summarizes the position.

It is my hope that at some not too remote date it may become officially and physically possible for my wife and myself to return to the United States. Meanwhile it has been made plain that my physical safety is not of concern to the authorities. I await with such fortitude as lies within me the further action by mob or officialdom. I know myself to be without power other than perhaps some moral power, together with the great fact which must somehow sometime shine forth that only through restoration of a rule of law can Shanghai begin to regain prosperity. What happens to my body has already ceased to matter much, and nothing will break my spirit which has already returned to America.

STATEMENT BY FRED T. DOUGLAS

Former Business Manager, Shanghai Evening Post & Mercury

ON June 23 the editor of the *Shanghai Evening Post & Mercury* announced at a press conference that he had ordered the closing of that newspaper and the Mercury Press printing plant effective June 30, 1949. He was reported to have declared that the present climate of Shanghai makes it impossible for him to publish a free American newspaper, thus implying that the issue was one of freedom of the press.

I participated in all negotiations up to the time the newspaper failed to appear on June 15 and have been in close touch with the situation since. I thus feel qualified to speak with authority on the problem. I can state categorically that the closing of the newspaper was entirely unnecessary, that the decision to close the newspaper was premature and ill-advised since all possible means of settlement had not been thoroughly explored.

Still A Wage Problem

The problem originally was, and still is, one of negotiating a new basis for wages and salaries but it has been represented by the editor as an issue of freedom of the press. Since the liberation of Shanghai there has been no government interference or censorship.

The newspaper failed to appear on June 15, and subsequently, because of a news story written by the editor describing a labor-management meeting held on the night of June 14. The workers of the *Shanghai Evening Post* took exception to the story on the grounds it would damage their prestige in the eyes of the public. They requested, through their delegates, a meeting with the editor to discuss the matter of withdrawing or modifying the story. At the request of the delegates I telephoned the editor who refused either to meet with the delegates or withdraw or modify the story. Instead, he hastily left the premises long before the time the paper ordinarily comes off the press, which was indeed most unusual.

The labor-management meeting of the evening of the 14th left considerable ill-feeling all round since the editor had angrily threatened to close the newspaper and return to the United States. The wage question was not discussed. Toward the close of the meeting the editor agreed to withdraw his threat to close the paper and further agreed that I should open wage negotiations with the General Printers Union on the following afternoon. The controversy over the story, however, resulted in the sidetracking of the wage negotiations. In view of this unfortunate turn of events I recommended to the editor that in the interest of all concerned it would be desirable to refrain from printing anything would bring about a breakdown in the impending wage negotiations.

The editor, however, chose to see it otherwise and proceeded to press the issue of freedom of the press to the point of closing the newspaper. Consequently, the wage negotiations never got under way.

It is interesting to recall that many local firms were at this very time involved in wage negotiations but they did not deem it necessary to rush into print about their problems. Shanghai's only other English-language daily, the *North China Daily News*, was likewise struggling with the same problem but in their case wisdom and patience prevailed and a settlement was finally arrived at. At no time did they attempt to prejudice the negotiations by printing controversial accounts of their difficulties.

Sincere Effort Needed

Unfortunately, the editor of the *Shanghai Evening Post* seems unwilling or unable to understand the deep-seated change that has come over the people of Shanghai since the liberation. Most foreigners have been making a sincere effort to adapt to the new spirit that prevails and, seeing the gratifying results which have been achieved by the Peoples Liberation authorities in restoring Shanghai's economy, are eager to cooperate. Where employers, both Chinese and foreign, have been sincere in their efforts to adjust to the changed situation they have been largely successful, as in the case of the *North China Daily News*.

In the recent past the editor of the *Shanghai Evening Post* has frequently expressed himself as "fed up with China" and anxious to return home. Perhaps this state of mind induced such exhibitions of ill-temper as were displayed in recent meetings with the workers. If such be the case, he would have been well-advised to step down without attempting to pull the entire edifice down with him.

I am convinced that the editor's uncompromising attitude throughout has been the chief obstacle to an amicable settlement and the issue of freedom of the press is entirely spurious. On this point I stand firmly with the workers of the *Shanghai Evening Post*. I could not do otherwise and be true to my conscience.

STATEMENT BY THE WORKERS

THE *Shanghai Evening Post and Mercury*, an American newspaper with a history of 25 years in Shanghai, suddenly suspended publication on June 15 by order of its editor, Randall Gould. In spite of their 20-odd years of faithful and arduous work, which was highly instrumental in making the *Shanghai Evening Post and Mercury* what it is today, the staff and workers of the paper, numbering more than 100, have been driven to the brink of starvation. Yet they are staying at their jobs and working as usual in order to bring Mr. Gould to his senses.

The present dispute has been caused by Randall Gould, who adopted strong-arm tactics in dealing with the workers and who paid no attention to the minimum living requirements of the workers. The whole truth of the matter is given below for the reference of the general public.

After the liberation of Shanghai, the People's Government, in view of the fact that financial conditions vary from factory to factory, ruled that wage scales should be fixed by direct negotiation between the management and labor concerned instead of according to a uniform standard set by the government. This was a very wise measure. Under the reactionary regime of the past, the wages of a worker at the *Shanghai Evening Post and Mercury* were very low. For May, 1949, they totalled only 11 silver dollars, approximately one picul of rice in value. The life of the workers was very miserable.

Workers' Demands

On June 8, the workers presented a set of reasonable demands to the management in order to enable the workers to meet their minimum living requirements. On five occasions the workers approached the management on this subject with the utmost sincerity and politeness. But each time the management refused to negotiate on the pretext of awaiting government regulations governing uniform wage scales.

As June 15 was the mid-month payday, the workers on June 14 asked their delegates to enter into negotiations with the management. But the conference dragged on from 3:00 p.m. to 6:30 p.m. without results. It was at this time that the business manager, Mr. Fred T. Douglas, frankly told the workers' delegates that he had no power and that all decisions rested with Randall Gould.

In compliance with pressing requests from the delegates, Mr. Douglas finally agreed to telephone Mr. Gould and ask him to come to the office to meet the workers' delegates. It was not until 8:30 p.m. that Gould, accompanied by Mr. Charles Miner, Far Eastern representative of the Starr Corporation, came to the office. The workers welcomed Mr. Gould's arrival, thinking that he would straighten out the wage dispute on the spot. But things did not work out that way. When the workers' delegates entered the office of the business manager, Mr. Gould, pipe in mouth, announced arrogantly: "To talk about the wage issue is out of the question. The paper is going to close tomorrow. I would like to see what you are going to do after the close-down of the paper. As for me, I can return to the United States to lead a more comfortable life."

In the interests of the workers, the delegates did their best to put up with the threatening and insulting remarks of Mr. Gould and they continued the talks in the hope that he might agree to consider a temporary arrangement for paying the workers. But Gould would have none of it and told the delegates to get out of the business manager's office.

In order to prevent the dispute from developing into serious proportions, the workers still kept calm and patient. They asked Gould to wait a little while in the office. At the same time, they sent a request to the Union of Newspaper Workers for mediation. But Gould, being used to despising the Chinese people, wanted to walk out of the office, together with Messrs. Douglas and Miner. After a pressing invitation from the workers, Gould finally agreed to stay on and return to his office. He said several times: "It is all over. The paper will close down tomorrow."

Union Delegates Arrive

At 9:30 p.m. three delegates from the Union of Newspaper Workers arrived and entered the business manager's office with Gould's consent. But the workers' delegates were refused admission. The conference between the delegates from the Union and Gould lasted more than two hours but brought no results. Gould insisted on suspending publication of his paper. Seeing that there was no way of reasoning with him, the Union delegates told Gould: "If you insist on closing down your paper, you must assume full responsibility."

Gould knew that he was wrong and promised to advance JMP9,400 to each worker. He also promised to proceed to the office of the Union of Newspaper Workers the next afternoon for further discussion. Since there was hope for tomorrow, the workers felt happy and sent several men to escort Gould back home, because it was already midnight.

At 2:00 p.m. on June 15, the workers discovered in that day's issue of the *Post* a long article written by Gould on the negotiations between the management and labor of the previous evening. The contents of this article were completely at variance with the facts and accused the workers of detaining him. The article itself was insulting to the whole staff and to the Union delegates. The workers naturally did not want to have any part of something that insulted them and misrepresented their actions. Therefore, representatives were sent to request Gould to consider killing the article or rewriting it. This request, however, was turned down, and Gould, using it as a pretext, refused to proceed to the Union headquarters as he had promised, thereby manifesting his unreasonable and contemptuous attitude.

On June 16, the managers, editors and reporters of the paper, at the bidding of Gould, did not turn up at the office, but the workers nevertheless remained at their posts and continued working. When Mr. Douglas had a chance to come to the office later that day, the workers submitted to him the reports of the previous day as usual and expressed the hope that the management would take a reasonable attitude, a sentiment to which Mr. Douglas expressed agreement. On the same day, in order to explain their position, and to point out where responsibility for the closing of the paper should rest, the workers sent a radiogram to Mr. Starr in Hongkong. Because they were lacking in financial means, the workers could send only a short cable in which the detailed facts naturally could not be stated in full. Nevertheless, truth will not perish, and the workers felt quite calm.

Cable From Starr

Days went by, during which the editorial staff made no appearance at the office but the workers remained hard at work. Finally a cable of reply from Mr. Starr reached the workers on June 20. He expressed sympathy with their difficulties and asked them to form a delegation to continue negotiations with Gould. The workers were elated, and elected seven representatives that afternoon. These representatives went to the American Asiatic Underwriters Bank at 17 the Bund at 2:00 p.m. on June 21 to resume negotiations.

When the meeting began, the first question asked the representatives by Randall Gould, who still assumed a lofty, imperialistic air, was whether they acknowledged him as their superior and as the president of the paper. They of course answered in the affirmative, and the meeting then began. The contents of the negotiations, however, were all out of expectation. They were concerned not with the wages but rather consisted of three one-sided conditions that would save his "face." These he called the "primary conditions." These conditions are now given below so that a just verdict may be passed by the public: 1) All posters and handbills must be taken down. 2) Twenty-five copies of the June 15 issue of the paper, which contained the insulting and misleading article, must be printed and sent to his apartment so that he could send the copies to the US Consulate and Mr. Starr. 3) He produced a typewritten form which the representatives were requested to sign guaranteeing his

"sole and unlimited authority over the contents of the news and editorial columns" and promising that the workers would "obey all orders which the editor may give in this connection" in the future.

The representatives told him that the first condition could be accepted at once. They asked him to reconsider and withdraw the second condition since it involved an article of a misleading and insulting nature. As for the third condition, the workers did not feel that they could guarantee to agree with anything Gould might choose to say about them in the future, and they therefore refused to sign it. The representatives felt that the problem between labor and capital could be solved only through sincere efforts on the part of both parties. For this reason, Chang Tse-chi, one of the representatives, proposed to Gould: "In the future, both management and labor should build a foundation of cooperation on the basis of mutual sincerity. We workers are willing to save on materials and raise our work efficiency. We hope that Mr. Gould will revise these three conditions, and we representatives shall return to explain to the workers." However, Gould still insisted on an answer within one week. The representatives and Gould finally agreed on further negotiations after consideration.

Gould's Letter

On the morning of June 22, Mr. Douglas phoned the office and stated that Gould had changed his mind and that a letter would be delivered to the workers that afternoon. Everybody waited tensely. In the afternoon, Mr. Douglas telephoned again and explained that Gould had again changed his mind and had dropped the idea of sending the letter mentioned in the morning. He further told the workers that Gould would make an important decision the next morning. This gave renewed hope to the workers.

The decisive June 23 finally came. At 8:30 a.m., amidst the hopes of all the workers, Mr. Douglas again rang up. He stated that he wished to work out the wages with Shen Tien-chu, one of the representatives and the chief accountant of the paper. An appointment was made for 10:30 a.m. at the meeting room of the American Asiatic Underwriters at 17 the Bund. There, as Messrs. Douglas and Shen were discussing the wage problem, Gould suddenly appeared and arrogantly produced a letter which he gave to Mr. Shen. He then snatched from Mr. Shen's hands the wage tables of the staff and workers and the daily financial report and ordered Mr. Shen to go back to the *Post* office.

The letter that Mr. Shen brought back was the announcement of the closure of the paper and an order to the workers to leave the plant immediately. No justifiable reasons were given for this action, which completely shattered the hopes of the staff that Gould might change his attitude. However, they continued to work as usual.

On June 30, Gould further insulted the staff by giving employees of the editorial department, who did not belong to the Union, and Ma Tung-hai, head of the printing department who had always oppressed the workers, a 20 percent increase in their basic wage and paid them their wages for the month of June. Since the workers still had not been paid, this illustrates the base attitude of Gould.

On July 1, the workers went to the Medhurst Apartments to request a talk with Gould. However, Mr. and Mrs. Gould, without inquiring why the workers had come, beat and kicked them, injuring four workers. The workers, understanding that it is unlawful to beat people, did not return the attack. At 3:00 p.m. that afternoon, under the mediation of Mr. Miner, both parties opened negotiations on the wage problem at the American Asiatic Underwriter's. Again these talks bore no results.

Tenders Apology

However, Gould later realized his mistake in beating people. He tendered apologies in the *Giefang Rhbao* (Liberation Daily) and the *North-China Daily News* on July 3, and on the next day he personally came to the newspaper office to apologize to the workers and to acknowledge responsibility for the serious effects arising from the wage problem. Although his apology lacked sincerity, the workers very generously put aside the past unhappy incident and asked him to settle the wage problem on the spot. However, their hopes were again doomed to failure. What was passably satisfactory was that Mr. Miner promised to let them withdraw a part of their wages for the month of June. The workers thought that since a part of their June wage could be withdrawn the time might be near for a settlement of the whole June wage problem. At this time, Gould retrieved his personal books and effects from the office, and the workers helped him gather up his things. Gould later wrote a letter expressing his thanks and stating that the workers had protected his belongings well and that nothing was missing. That day, neither Mr. Gould nor Mr. Miner talked of closing down the paper. The workers, of course, continued their work as usual.

Tries To Cut Off Gas

On July 11, Gould suddenly thought of another intrigue. He wrote a letter, signed by himself, to the British Shanghai Gas Company and the Compagnie Francaise de Tramways et d'Eclairage Electriques, asking them to cut off the gas, water

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and power supply. He himself went off to hide in a hospital, hoping thus to drive out the workers. Fortunately, because of the sympathy and uprightness of the workers of the two companies, the supply has been maintained for the time being.

By July 13, the workers were extremely worried because of the fact that the wage problem had not been settled and, since Gould was not available, they sent representatives to see Mr. Miner at 9:30 a.m., requesting a solution. However, Mr. Miner maintained throughout the meeting that only Mr. Starr could settle this problem. Later, the whole staff went to press the request, and the two parties reached a deadlock. After the arrival of Mr. Pai Mon-fe of the legal department of the Whangpoo Public Safety Bureau, and at his advice, both parties agreed to request for mediation from the Labor Department.

The representatives of the workers arrived at the Labor Department at 10:00 a.m. on July 14. But, as the management had sent in no statement, the Labor Department could not hear a one-sided version from the workers. Therefore the two parties could only report the main points in their request for mediation. However, Mr. Miner acknowledged at the Labor Department that he had full power to settle the wage problem. The Labor Department at once advised both parties to show sincerity, and instructed Mr. Miner to submit a statement so that mediation might be carried out.

Starr's Attitude

A cable from Mr. Starr in New York reached the offices on the morning of July 15. From the cable, the workers learned that Mr. Starr had been completely deceived by Gould concerning the facts of the wage problem which had arisen out of the workers' need to maintain a minimum living standard. Mr. Starr did not even know that the workers, after receiving his cable from the Philippines, had carried out negotiations with Gould according to his instructions. From this it could be seen that Gould not only oppressed the workers himself, but also tried deliberately to alienate the workers from Mr. Starr.

The foregoing is an actual account of the facts of the oppression of the workers by Gould and the negotiations that were conducted over the wage problem. The workers have a clear conscience that they have not made any false statements. Until the present, because Gould admitted his mistake on July 4, the workers have forgiven him. Therefore, they are still willing to cooperate with him. Should Mr. Gould be willing, the *Shanghai Evening Post & Mercury* could resume publication immediately. He himself admitted on July 4 that the People's Government had never infringed on his right of freedom of publication. Now that the wage problem is being negotiated at the Labor Department there is no reason whatever for the suspension of publication of the paper.

Life In A Communist Training Camp

H. C. Huang

MANY of my friends and colleagues, upon hearing that I am going with the army, have asked me: "What makes the Communists so sure of their victory?" To tell the truth, I am also eager to probe into the matter, and one of my reasons for joining their ranks is to see for myself.

In one of the training camps in which youths are concentrated we can clearly visualize the forces behind the Communists, which have made their victory possible. Moreover, we can get an answer as to why the Nationalists fail where the Communists succeed. The fundamental difference lies in their respective methods of educating and training youth. Invariably the Nationalists lay great stress upon austerity of life, upon passive obedience, upon military discipline. To the youths who like to breathe free air, these are things they are least willing to accept. On the other hand, the Communists center all their attention on self-cultivation, upon self-understanding and self government. They are training new masters of China, who can work, can fight and can die for their country.

Life In Camp

Life in the training camp more or less follows a routine. The students get up at five in the morning, and are led by the leader to the open ground for ten to twenty minutes of morning exercise. This exercise is aimed at improving the health of the students and is not strictly compulsory. There are no roll-calls, nothing to force you to participate in any exercise for which you have an apathy. You are free to go everywhere. There are no soldiers stationed at the gate to question you; no superiors to rebuke you. So much reliance is placed on your self-respect that in time it becomes an influence to govern your way of living. There is no distinct demarcation of rank, except when it comes to responsibility. Officers have the same kind of living conditions as the students, and are eager to take the opinions of the latter into consideration.

—*Mai Kan.*

There are no classes, no instructors to teach lessons or etiquette, for the Communists believe that knowledge comes from diligent inquiry into truth which anyone can pick up anywhere if one has a mind; and their frankness and politeness is their best etiquette. But there are discussions and meetings, in which they invite learned men to lecture on special subjects, which will be discussed earnestly by the students later. In this way they guide the students to seek after truth rather than simply to believe a book or a person. There is no "Stand up!" or "Attention!" when the officer enters the dormitory for a talk; he talks as a comrade to another comrade, and not as a superior to his subordinate. You can relax whenever you feel inclined to.

This free and easy-going life, this democratic way of living and of education accounts for the many youths who throng around the banners of the Communists. And these are the very things the austere Nationalists can never do, for they never can discard their superior feeling and prejudice.

Weapons And Discipline

However, this indulgence of individual freedom does not indicate in the least the complete absence of regulations. On the contrary, order and discipline are maintained by a most effective method. The Communists do not employ authority or punishment to harness members of the camp. Instead they use the strength of the majority to keep you responsive to regulations, any violator of which is requested to criticize himself, to see himself as others would see him. In this way they encourage you to find your mistake and correct it. An attempt to copy this method was made by the Nationalists at Chungking with poor result, because they lacked the democratic spirit. For instead of sincere and friendly criticism, opportunity was taken to assault their political opponents; and some who were the objects of criticism were too powerful and influential to submit to it. This is only one of the many examples of why where one succeeds the other can fail.

A Glance At Lu Hsin—China's Gorky

Lawrence W. T. Chen

NO essayist and novelist in contemporary China has been more mourned and honored than Lu Hsin since his death in 1937. He was the center of gravitation, so to speak, among China's intellectuals before and after the May 4th Movement (otherwise referred to as the Chinese Renaissance) in 1919. His many novels have become models for the writers and novelists who have followed in his footsteps.

Lu Hsin (whose real name was Chow Shu-jen) took up medicine in Japan during the time of the Russo-Japanese War under the tutorship of Dr. Fujino in the Fukui-ken Prefecture, and to this professor he was warmly attached all his life. But fate had not destined Lu Hsin to become a healer of human diseases; he became something of greater import—a humanist.

Lu Hsin related how, during the showing of a Japanese war movie concerned with the Russo-Japanese War, he saw portrayed in one of the scenes the execution of a Chinese spy and informer who had worked for the Tsarist regime. Lu Hsin was visibly moved and said to himself, "I must devote myself to the reformation of the human soul." He decided that the tool that would best serve such a purpose was literature.

Foreign Translations

Together with his younger brother Chow Tso-jen, another literary figure who is a prose stylist, Lu Hsin set his hands to the translation of foreign novels. He was much influenced by the novels of Gogol, Turgenov and Andreyeff. The result was the publication of 37 stories in two volumes the following year. The translations included the works of Russian, British, American, Polish, Czech, Serbian, Bulgarian, Bosnian, Finnish, French, Hungarian, Rumanian, Greek, Danish, Norwegian and Dutch novelists. But not more than 40 copies of the translated works were sold in Tokyo and Shanghai.

In order not to offend the sensibilities of Professor Fujino, Lu Hsin went up to him and said, "Professor Fujino, I have decided to take up biology, and the knowledge of surgery that I have acquired will be a great aid to me." To which the Japanese professor replied, "I am afraid that a knowledge of surgery will be of little use in the study of biology." But Lu Hsin's mind was made up, and he took leave of the professor.

In 1935, Lu Hsin sent a write-up of Dr. Fujino to the Japanese Writers and Authors Association to be included among his works which the Association was about to publish. "I have felt grateful to Professor Fujino because of the enthusiastic and solicitous attention he gave me," he wrote, "and because of the hopes that he placed in me which, I think, were based on two main reasons: first, he wanted China to have the new medical science, and second, to a greater degree, he wanted modern science to spread in China. Though he is not well known, I have long regarded him as a very noble person."

When Lu Hsin's pen portrait of Professor Fujino appeared in print, the aged professor, who by this time had a comfortable practice and was much beloved by the common people of the prefecture, was much sought after, and to a degree he shared with Lu Hsin the fame which the Chinese author's novels had brought.

This incident is recounted because throughout his life Lu Hsin himself was always willing to help his students at Peking National University. Many were the young authors and novelists who genuflected before him and sought his paternal advice, but some were later seized with a sordid utilitarian spirit, and after Lu Hsin had willingly lent his name and prestige to their newborn publications or prefaced their writings, they turned on him when they thought his usefulness was finished. Lu Hsin's private letters to his wife (Miss Hsu Kwang-ping, who was his student in Peking) abound in such painful reminiscences.

Permanently Established

By 1921, Lu Hsin had established himself permanently in the literary world with the output of many essays and short stories, among which may be mentioned three: "Diary of a Mad Person," "Kung Yueh Chi," and "My Native Place." The first two are mere sketches, but the last, so to speak, is constructed upon a far vaster and broader canvas of life.

Although the earliest advocates of *pai-hua* (the spoken tongue) literary form were Hu Shih, Chen Tu-hsiu, Chien Hsien-tung and Liu Pan-nung (1917), all of whom are prominent figures in the literary reformation, no really great models of the new literary form of composition and expression existed until these three short stories were published. The result was that *pai-hua* was at once assured of permanent acceptance in the Chinese literary world. Among the famous writers, essayists and novelists in this and later periods who employed the new literary form may be mentioned Tien Han, Ouyang Yu-tsing, Yeh Shao-chun, Wang Ching-hsi, Yu Ping-po, Chow Tso-jen, Lo Chia-lun, Sun Fu-hsi, Miss Ping Hsin, Hsu Chih-mo, Lao Sheh, Kuo Mo-jo, Shen Fang-wu, Chang Tze-ping and a host of others.

The periodicals that were identified with the May 4th Movement included "New Youth," "New Tide," "Young China," "Weekly Critic," "Reconstruction," and "Reconstruction and Emancipation," all of which were motivated by an underlying spirit of democracy and the new social and national sciences. Lu Hsin's translations from Ibsen appeared serially in the "New Youth" and were well received, though they unavoidably precipitated much controversy, as did the writings that appeared in the other contemporary publications.

The literary supplements of many of the newspapers also gave indication of the prevailing new mood and outlook. The *Min Kuo Jih Pao's* literary supplement was called "Awakening," and that of the *Shih Shih Jih Pao* was entitled "Lamp of Learning." Innumerable college publications edited by the students themselves also adopted the new literary form as a medium, as did many leading journals of the time such as "Far Eastern Journal" and the "Short Stories Monthly."

Criticizes Old Style

Lu Hsin once stated: "Whenever I read Chinese books I felt lugubrious, and it seemed to me that I formed no part of the human existence; but whenever I picked up a foreign book and read it—Indian books excepted—I felt galvanized into life and as though I had come into contact with human existence, and I also felt a penchant for doing and performing something. It is true that there are some Chinese books which exhort us to get on in the world, only that they persuade us to enter the paradise of the charnel-house; but with foreign books, though they may make us crestfallen and blase, they nevertheless make us crestfallen and blase as living persons. . . For the youth of today, 'action' is more important than 'words', and even if they are unable to write compositions, which matters but little, they should be able to live as living men do."

The essay provoked a storm of protest. Some of Lu Hsin's critics even went so far as to say that he was a "denationalized Chinese." What he actually was saying was that the stultified style of composition of the ancient classical school was a great hindrance to effective expression and that, therefore, "the literary form should not be that of the ornate ancient literary style, but one as lively as the speech that flows from the human lips, so that literary expression may bear a close affinity to everyday speech and thus become vivacious and full of life . . . The question," he added, "is how to relieve the poverty of speech of the modern people and how to enrich their speech. To achieve such a purpose, we might be compelled to have recourse to the ancient books and draw from them the materials that we may need

for this purpose."

Lu Hsin himself was solidly grounded in ancient Chinese classical learning; he knew, therefore, how unwieldy and cumbersome the classical style of composition was. In an age and epoch of progress, of democracy and of the natural and social sciences, he felt, there should be directness, clarity and lucidity in speech and expression, both in the written and spoken word. Therefore, the habit of learning things by rote and committing them to memory with a view to retracing one's footsteps to the ancient past and turning one's back to the living present must have been hateful to Lu Hsin, since knowledge, to his mind, should become widely and popularly disseminated among the people instead of being the monopoly of the literati. To make democracy a real, palpable thing, and to make progress possible, he felt it was necessary to have a new tool, and this tool was the *pai-hua*.

Brooding Indignation

As early as 1917 Lu Hsin displayed a temperament of marked individuality. Careless though he was of his personal appearance, he nevertheless rigidly applied the searchlight of truth to his innermost heart, and in the atmosphere of the political, social and cultural crises that surrounded the ancient Chinese capital, in the dark hour of the national crisis that was drawing near, he was, like many other intellectuals of the period, seized, but more sharply than the others, with a brooding indignation that was seeking for voice, because the intellectuals saw, or thought they saw, a picture of the immense ruin that surrounded China in every direction.

The question of China's entry into the World War loomed large; Chang Hsun, the arch-Monarchist, who had been invited by the powerless vice president Li Yuan-hung to intercede with the northern warlords led by Tuan Chi-jui, was maneuvering for the restoration of the Manchu rule, but he met with opposition and was soon ousted by Tuan's Anfu clique, which thereafter dominated the political scene.

Lu Hsin resigned temporarily from the Ministry of Education for no other reason than that he had cut off his queue, and he rejoined the Ministry only after Chang Hsun's monarchist dreams had collapsed. In the eyes of the Manchus, nothing was more "reactionary" and heinous than to deprive oneself of the queue. The "politics of the queue", in fact, was something that had to be reckoned with seriously. Lu Hsin recounted how a Chinese girl student of this period was not admitted to the Peking Girls Normal College after passing her matriculation for the simple reason that her hair was too short to be coiffured into the fashionable (or officially approved) S-shaped headgear of the time.

Lu Hsin's "Story of the Hair" was actually reminiscent of his own personal experiences. "When I was studying in Japan," he related, "I had already cut off my queue. There was nothing mysterious about this, except that the queue was a thing of some personal inconvenience to me. But I hardly expected that my classmates who still had their queues circled about their heads would show a chilling feeling of abhorrence toward me. The Chief Inspector of the school was indignant, too, and threatened to terminate my scholarship and have me sent back to China."

Again he stated: "When I arrived back in Shanghai, my first concern was to buy myself a false queue, the market price of which was two dollars. I took it home with me, and my mother did not say anything, but when other people saw it and discovered it was false, they castigated me and acted as if I had committed a crime for which I would have to pay the price of my head. In fact, a near relative of ours was on the point of reporting the matter to the authorities . . ."

Elsewhere, Lu Hsin stated: "In the early years of the reign of Hsuan Tung (1909) I was superintending a school in my native town. My colleagues spurned me and kept away from me, while the officials took every precaution against me. I passed my days as though in an icy cellar, and I experienced the feeling of standing on an execution ground. The cause of all this was that I did not have a queue."

"The Story of Ah Q" (which has been translated into many languages) and "Knowledge is Crime", both of which appeared in 1921, probably sum up the world outlook of Lu Hsin. "The Story of Ah Q", published in serial form, is an exposition and analysis of the Chinese mind and idiosyncracies and habits of life, and in this story Lu Hsin proved himself to be a quick-witted, though sympathetic characterizer, making "Ah Q" a comic, tragic, pathetic and yet endearing figure. The foibles of "Ah Q" were immediately identified by the readers as their own, as though "Ah Q" were related to them through consanguinous ties, if not by heredity.

Mr. Kao Ih-han of Peking National University recounted how many readers of the story cowered in fear lest the next blow of Lu Hsin descend upon their heads. Mr. Kao stated: "One of my friends visited me and complained that someone must have pried into his private affairs, for how else could they have been so minutely described and faithfully portrayed in the doings of 'Ah Q'?" This is a measure of the success of Lu Hsin's story, which is a piece of superb characterization.

Iconoclast

In "My Native Place," which also appeared in 1921, Lu Hsin was an uncompromising iconoclast. "Talking about hope," he wrote, "I feel that I am frightened of hope." He said that the coming generation should not have the hope that goes with worshipping idols and leading a life of toil and hardship in great dumbness.

"I asked him how he has fared," Lu Hsin wrote in the story about the hero of the piece, who was a country yokel and childhood friend of the author.

"He shook his head and replied, 'It is very difficult. My sixth and youngest son is able to help me now . . . but we do not have enough to eat . . . The times are bad . . . Everywhere we have to pay money. It's not fixed when and how much we shall pay . . . The harvest is also poor. We raise crops to sell, but on our way to sell them, we have to pay money, and we suffer a loss. If we don't sell our crops, they will rot.'"

Hope, according to Lu Hsin, is not something that is empty; neither is it something that can be had from wishful thinking.

"Hope exists and yet it does not exist," he wrote. "It is like a path which comes to life only under the trampling footsteps of a growing multitude." The implication of the aphorism is that hopes can be achieved only through the concerted struggle of the masses. That is Lu Hsin's message to his people. Is it any wonder that this humanist, who gave up medicine in order to "reform the human soul", has been cherished in the thoughts of the Chinese people?

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CURRENT INDUSTRIAL CONDITIONS: Report On Shanghai's Machine, Silk, Paper and Oil Pressing Industries

Translated from the Ta Kung Pao

THE Shanghai machine industry, consisting of more than 1,000 factories, boasts of 15,000 mother machines and 27,000 workers. Of the total number of the factories, of which almost all suspended their operations before the liberation of Shanghai, some 790 are guild members. During the past month, due to the encouragement of the People's government and the new relationship between labor and capital, approximately 20 percent of the factories have resumed operations.

According to an official of the Machine Industry Guild, considerable difficulties still exist for the machine industry, but the chief problem is the lack of a market for the finished products. As the various industries in Shanghai have not yet restored their full production programs, the local machine factories, which depend on the development of the other industries for the marketing of the machine products, have found themselves practically without orders, not even for repair work. The official of the Guild added that the privately-run machine factories are hoping earnestly to accept the guidance of the Heavy Industry Department of the Shanghai Military Control Commission to coordinate the production of the government-operated machine factories, and that some work will be distributed to the private machine factories.

For the past month, the privately-operated machine factories that have resumed their operations have been concentrating mainly on the manufacturing of sewing machines, for which there is a ready market in town. The activities of the remaining operating machine factories are confined to the repairing of machinery for the textile industry. The workers of the machine industry clearly understand the difficulties confronting Shanghai, and rest their hopes in the stabilization of the economic situation, when all industries, together with the machine industry, will embark on the great road of new birth.

Silk Filature

Of the 390 silk filatures in Shanghai, 90 percent ceased operations before the liberation of the city. In less than 50 days following the liberation of the city, some 290, or more than 74 percent of the total number of the filatures, have resumed operations. The remaining 100 filatures were notified by the Silk Textile Manufacturers' Guild on July 2 to take active steps for the resumption of operations. To date, however, they have not yet been able to go back to work for reasons of shortage of operating capital and difficulties in the marketing of products. In addition, many workers returned to their native towns and have not yet returned to the factories.

When all the local silk filatures are in operation, the maximum monthly consumption of raw materials is between 6,000 and 7,000 cases of artificial silk (each case contains 200 lbs.) and 2,000 piculs of mill silk. As artificial silk has not yet been rationed by the authorities and the mill silk has not yet come to the market in large quantities, the operation at various silk filatures is varied, some working at full speed for 11 hours per day, with others working nine hours. While it is not possible to obtain exact figures on the current output, the present operational conditions should result in a monthly output of around 20,000 bolts of silk piece goods.

The foreign and domestic market used to consume equal portions, but at present there is little domestic demand, while the export of silk piece goods is practically at a standstill. In order to maintain operations, the Silk Textile Manufacturers' Guild has applied to the Government-operated China Sericulture Corporation to make collection of the products. Notices to this effect were issued by the Guild to its members yesterday, and the filling in of the application forms will be completed by the middle of the month. The products collected are all for export, and for this batch of products collected, mill silk will be supplied in return. (In the last collection, 40 percent was paid in cash, and 60 percent in mill silk.) The China Sericulture Corporation has not yet decided on the quantity to be collected.

Paper Industry

There are altogether 36 paper mills in the Shanghai district (including 29 in Shanghai and seven in outports), and all are in the process of resuming their operations. To date, the Great China, Tien Chang, Chung Kuo, Tien Feng, Chung Ho,

BUSINESS FOOT-NOTES

The China Pharmaceutical Company, a subsidiary of the East China General Foreign Trade Company, opened for business last week after taking over control of stocks hoarded by David Kung's defunct Yangtze Development Company. Stocks will be sold to private pharmaceutical companies.

* * *

Shanghai's buses are scheduled to switch to gas in a move designed to save gasoline, which is imported. Gas will be supplied locally by the Woosung Gas Company which will be called upon to produce 1,000,000 cubic feet of gas monthly for the city's fleet of public buses. One slight snag in the scheme is that each bus can fill up with only 42 cubic feet of gas at a time, which is sufficient for only about 40 kilometers of driving. Since each bus travels about 160 kilos per day, it will be necessary to refill four times each working day.

* * *

A total of 558 of the 608 import and export firms applying for registration in Peiping and Tientsin have been approved. Of the 558 firms, 448 are Chinese companies and 110 are foreign companies.

* * *

The Shanghai office of the People's Bank of China last week extended a trial loan, based on the parity bank deposit unit system, to Shanghai utility companies. A total of 259,000,000 units was loaned, with 100,000 going to the Shanghai Telephone Company, 89,000 to the Chinese Merchants Electric Company, 5,000 to the Shanghai-Nanwei Transit Company, and 65,000 to the China Electric Company. The monthly interest rate is nine percent.

Press reports from America report that the steel industry is in "a state of confusion" caused by President Truman's appointment of a Fact-Finding Board to study and recommend a solution for the current labor-management dispute. E. T. Weir, chairman of the National Steel Corporation, said it was a mistake to allow the fact-finding body to have the power to make recommendations. It should, he said, be confined to fact-finding only.

* * *

The Shanghai Importers-Exporters Guild has petitioned the Navigation Department of the Shanghai Military Control Commission requesting the authorities to compel foreign shipping companies which diverted Shanghai cargoes to Hongkong during the emergency period to reship these goods to Shanghai free of charge.

* * *

Negotiations between the International Bank for Reconstruction and Development and Yugoslavia aimed at arranging a loan for Marshall Tito's government were revealed last week to have reached preliminary stages. Yugoslavia, which was described in a press agency dispatch from New York as "the rebellious member in Russia's ring of satellite countries," is reported in urgent need of US dollars and has asked the bank for a loan of US$50,000,000. The Bank, according to its new president, Eugene Black, might be interested in extending an initial loan of about US$25,000,000 providing that Yugoslavia can provide adequate guarantees of repayment and providing that an investigating mission from the Bank is permitted to make an on-the-spot economic investigation.

China Cardboard, Ming Foong, Kwang Chung, Kiangnan, Hwa An, Hwa Foong, Kuo Foong, Pao Shan, Wu Kiang, Hwa Fu, Chung Kuo Lee Yun, Chin Kun and the paper manufacturing department of the China Cement Company, totalling 17, have resumed operations. Eight others, including the China, Hwa Chang, Hwa Chen I Kee, Hai Lung, Cheng Chow, Yun Foong I Chung, and Hung Wen paper mills, are preparing the resumption of their operations. The Wing On Fo Kee Paper Mill is scheduled to resume its operations on July 15. It is expected that by the end of the month, two-thirds of the total paper mills here will be in operation. Of the total of 60 paper making machines in Shanghai, around half are in operation.

The maximum seasonal output of the various factories is approximately 11,371.50 tons of thin paper, 6,894.00 tons of white paper, 6,309.00 tons of cardboard, and 1,080.00 tons of cigarette paper. At present, because raw materials and fuel cannot yet be supplied in abundant quantities, the production at the mills is not normal, and the output cannot be estimated.

Among the raw materials, pulp is the most urgently required. According to past statistics, the maximum seasonal consumption of paper pulp is 2,568.19 tons. As to fuel, most of the paper mills in Shanghai were forced to use diesel oil before the liberation of the city, as the coal supply had been cut following the disruption in communication facilities. At the peak time, the monthly consumption of diesel oil reached 4,669.50 tons. With the restoration of the communication facilities, the paper mills have decided to revert to the use of coal. It is estimated that the maximum monthly output of coal dust will be around 10,350 tons.

Oil Pressing Industry

The output at various oil pressing mills in Shanghai is steadily increasing. Of the 16 oil pressing mills in Shanghai, only three have not yet resumed their operations. Of these three, Ta Foong Sin is preparing the resumption of operations, while the remaining two are purchasing raw materials, and are expected to be in operation before long.

Of the 13 oil pressing mills in operation, with the exception of the China Vegetable Oil Corporation which has not yet submitted production statistics to the Guild, 12 factories produced 6,015 piculs of edible oil during the last 10 days of June. It is believed that the production during the month of July will be greatly boosted if the supply of raw materials is kept up.

At present, for the supply of raw materials, the privately-operated mills are still making purchasss themselves from the producing areas, such as Wuhu, Ping Hu and Soochow, mostly in rape seeds.

The Week's Business

ALTHOUGH Shanghai's market was featured by a further spurt in the rice price during the week under review, in general it assumed a steadier tone.

By July 19, the rice prices were brought under control and began to decline. Several factors were accountable, including:

1) The liberation of more rice producing areas;
2) The improvement in the flood situation;
3) New regulations in the rice market which provide that transactions must be concluded on the same day, thus reducing speculation and manipulation;
4) The large quantities of rice dumped by the Shanghai Food Company; and
5) The tight money situation.

Reflecting this steadier trend in the local market, the unit quotation for parity deposits for July 20 came down to JMP867 from the previous day's JMP894.

During the week from July 9 to 15, according to a market review by the *Giefang Rhbao* (Liberation Daily), the retail quotations of daily necessities increased by 15.5 percent as against 25.6 percent for the week ending July 8. Wholesale prices, however, increased by 29.4 percent as against 25.2 percent for the previous week. Prices of export items moved up by 15.5 percent for the July 9-15 period as against 19.6 percent the previous week. These figures show the milde upward trend in commodity prices during the past week. The heavy increases in rice prices were mainly the result of speculation and manipulation.

Not only was the general trend in commodity prices during the past week steadier, but the money situation in the financial market also turned from easy to tight. The Government has intensified its dumping of supplies and increased the rationing of daily necessities. During the five-day period from July 9 to 15, more than JMP2,143,000,000 was recalled for the sale of these supplies, JMP1,000,000,000 more than in the previous week.

Conditions in the domestic remittance market have also improved. At the People's Bank of China, the outward remittances during the past week exceeded the inward remittances by one-sixth. For the commercial banks, although the amount of inward remittances was still more than that of outward remittances, the difference was reduced when compared with the previous week. It has been estimated that 60 percent of the money recalled during the past week through the dumping of supplies would be sufficient to absorb these inward remittances.

With the intensification of the rationing and the dumping of supplies by the authorities, the lifting of restrictions on outward remittances for factories in their purchases of raw materials, and other measures for tightening the money situation, there was evidently no tendency for any increases in idle capital in the market. Therefore, the stabilization of commodity prices followed. The spurt in rice prices during the past week, causing fluctuations in the market, was definitely an irrational and abnormal phenomenon, if an analysis is made:

First of all, the arrival of rice from producing areas did not show any appreciable decrease during the past week. Since the beginning of July, the quantity of rice arriving at the two rice markets in the city has averaged 3,000 piculs per day. During the five day period from July 10 to 14, some 25,000 piculs of rice arrived in the city. On July 16, the rice arrival was still above 1,000 piculs. When compared with conditions at the end of June, there was no real decrease in rice arrival.

Second, the rice stock in Shanghai is still quite abundant. Estimates made at the beginning of May showed 2,500,000 piculs. The quantity of rice arriving during the second half of June and the first half of July was sufficient to cover the consumption. Taking the population of Shanghai as 5,000,000 and the monthly rice consumption as 750,000 piculs, the city's stock of 2,500,000 piculs will last for some time.

Third, the crisis in the flood situation in various districts has passed, thanks to the cooperation between the people and the Liberation Army. The weather recently has improved, and the water level is gradually falling. Although a part of the crops has been affected, the major part is still intact, and there has been no harm to the rich crops in the Kiangnan district. The speculative psychology of merchants in expecting a firm trend in rice prices is unfounded.

Fourth, rice prices in the various producing areas are lower than in Shanghai. On July 14, for instance, the rice price was JMP35,000 per picul in Shanghai, JMP34,000 per picul in Hangchow, JMP26,200 per picul in Soochow, JMP27,000 per picul in Nanking, and JMP22,500 per picul in Tientsin. At the same time, the prices of cereals did not follow the rice quotations in the skyward climb. This situation means that rice will continue to flow to Shanghai from other cities.

Following is a listing of representative commodity prices:

	July 13 JMP	July 20 JMP
Silver Dollar	1,350	1,500
20's Yarn	550,000	625,000
12 lb. Cloth	23,900	26,700
Rice	34,000	52,000
Peanut oil	69,000	85,000
Coal briquette	4,700	7,000

NEWS OF THE WEEK

Offensive Underway In Central China; Sino-Soviet Body Formed

AFTER a full month's lull on the war front, the People's Liberation Army resumed its offensive last week against the remnants of the Kuomintang forces in Central China and in Shensi Province in the Northwest. This resumption of military operations is generally regarded as marking the beginning of an all-out offensive to liberate South and Northwest China.

In Shensi, the People's Liberation Army started a general offensive along the western section of the Lunghai Railway on July 12. According to preliminary reports, four armies of the Kuomintang under the command of Hu Chung-nan were wiped out at Fufeng and Meihsien. They totalled 30,000 prisoners. So far, six cities in Shensi have fallen into the hands of the People's Liberation Army: Fufeng, Meihsien, Paochi, Chishan, Fenghsiang and Wukung.

Of particular interest is the fact that units of the North China Army Corps of the People's Liberation Army also participated in the fighting in Shensi, together with the First Field Army of the People's Liberation Army. The successes scored by the People's Liberation Army in Shensi will strengthen the position of the PLA in that province and thus pave the way for the launching of a big Communist thrust into Szechuen.

In Central China, a three-pronged offensive by the People's Liberation Army has made remarkable progress. In Hupeh, the People's Liberation Army has liberated Ichang and Shasi, along the Yangtze. In Hunan, the People's Liberation Army has captured several strategic centers in the northern part of the province, presenting a serious threat to the capital city of Changsha. In Kiangsi, the People's Liberation Army is reported to have crossed the Kan River and taken six cities including Kian and Chinkiang.

* * *

Sino-Soviet Relations

IN order to strengthen the relations between Soviet Russia and the people's China, a Sino-Soviet Friendship Association has been set up in Peiping under the sponsorship of a large group of well-known people. A preparatory committee was elected on July 16 with Madame Sun Yat-sen as chairman and General Chow En-lai and Marshal Li Chi-sen as deputy chairmen. In a public statement, the sponsors declared:

"In order to safeguard the fruit of the victory of our revolution and in order to enable us to embark on peaceful national reconstruction, we must cooperate with all the nations in the world that treat us on the basis of equality, and particularly our great ally, the Soviet Union, in a common struggle against imperialist aggression and for the preservation of lasting peace in the world."

As regards the task of the association, the statement explained:

"It will be the task of the association to establish and strengthen the cultural, economic and other ties between China and the Soviet Union, to introduce the Soviet Union's experience of national reconstruction and scientific skill, and to develop and consolidate the profound friendship between the Chinese and Soviet peoples so as to wage a common struggle for the lasting peace of the world."

The sponsors also addressed separate telegrams of greetings to Mr. Mao Tze-tung, chairman of the Chinese Communist Party, and to Joseph Stalin, president of the Council of Ministers of the Soviet Government. Competent political observers regard the formation of the association as highly significant and important in view of the fact that the Chinese Communists are reported to believe that the western powers are attempting to help the Kuomintang regime fight the Communists. The failure of Britain and the US to break the blockade against the ports in liberated China has been cited by some Chinese sources as an indication that they are not entirely out of sympathy with this Kuomintang move.

The United States Information Service and the Information Department of the British Embassy in Shanghai were told to close their operations because the People's Government has not yet established diplomatic relations with the United States or Britain.

* * *

Strike Spreads

CONTRARY to the expectations of the Laborite Government in Britain, the proclamation of a state of national emergency has served to aggravate the strike situation instead of ending the dockers' strike. *Reuter* reported that within a few hours of Britain's coming under emergency rule, 2,500 London dock workers stopped work and porters at the great Smithfield meat market decided not to handle meat brought ashore by troops.

More than 13,000 dockers walked out when the Big-Five dock dictators —the men appointed to control the Port of London during the national emergency—took over. The number of idle ships rose from 112 to 127. By July 17, 6,000 troops had been called out to unload ships. The action on the part of the Laborite Government in using troops as strike-breakers has aroused considerable resentment and bitterness among the British workers.

In the House of Commons debate on the dock strike, Labor Minister George Isaacs said that some dock

The

REVIEW'S

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workers stayed away from work because they "mistakenly believed the introduction of emergency powers had set aside the normal dock labor machinery."

More annoying and disturbing to the Laborite Government leaders is the rapid spread of the dockers' strike to other lines. *Reuter* reported July 14 from London: "The gradual drift from work since the Government introduced emergency regulations continued....Workers at the pressed steel works of the great Nuffield Motor Corporation supported the dockers in their refusal to work "black" ships. Soon after the Society of Motor Manufacturers and Traders said that the pile-up of cars, trucks and tractors was increasing hourly and might soon affect production."

In asking the House of Commons to approve the emergency orders, Prime Minister Attlee said: "The situation is such as gravely to injure the economy of this country at a critical period in its history." Speakers in the House of Lords strongly condemned the dockers' strike, charging that the dockers had been "persuaded by appeals to a mistaken sense of loyalty, first to take one action and then another until we have drifted to the present deplorable condition." Lord Salisbury, leader of the Conservative Opposition, went so far as to denounce the dockers' strike as a "criminal conspiracy against the country."

* * *

Dollar Gap

BECAUSE of the current dollar gap, Britain is to cut her dollar imports in 1949-50 by twenty-five percent. The principal materials affected will be timber, paper and pulp, non-ferrous metals, steel and cotton. Giving a factual account of Britain's position at the end of the second quarter of this year, the Chancellor of the Exchequer, Sir Stafford Cripps, said Britain's deficit with the dollar area had come out on present calculations at £160,000,000—£30,000,000 more than the government forecast.

The proposed drastic cut, it is generally feared, will add to the hardship of Britons and their discontent and grumbling against the Laborite Government.

In order to save the present grave situation, the British Government is reported in the press to have decided to propose the signing of an international agreement on rubber, tin and cocoa—important dollar earners—on the lines of the International Wheat Agreement. The proposal is expected to be taken to Washington for discussion when the British, American, and Canadian economic big three meet there in early September to discuss the dollar-sterling deadlock.

Another remedial measure reportedly under consideration by the British Government is the seeking of a trade agreement whereby the United States would guarantee to buy British Empire raw materials at fixed prices over a set period to insure a stable dollar flow into the sterling area. This, it is stressed, will enable the Commonwealth to continue equivalent dollar purchases. According to qualified observers, if the Commonwealth knew it could sell its rubber, wool, cotton and tin at a fixed price over a considerable period, then it could work out something more than a month-to-month fiscal program.

Will the proposed 25 percent cut in dollar imports and the remedial measures now under study by the British Government work out all right in actual practice? It is rather doubtful.

All British newspapers except the Labor party organ took a dim view of the plan to slash dollar purchases by 25 percent. The *Financial Times* opposed the plan, saying:

"Alternative sources of supply might be in high costing non-dollar areas. The result of obtaining them must therefore be to increase our prices and to make the solution of the main problem—reduction of British costs—all the harder."

The Liberal "*News Chronicle*" agreed: "By cutting our imports of raw materials we are making it much harder to achieve the free play of competition which alone can lead to the greater industrial efficiency which the Chancellor of Exchequer asks."

* * *

Wishful Thinking

HOW about the reported international commodity agreement? *Reuter* commented:

"Even if the United States accepted suggestions for international commodity agreements, expert opinion would be divided on whether they would bring much relief to Britain....It is the United States Government's support, however, and not the international agreement which at present saves American wheat producers from being overwhelmed by their surplus."

Nor will the reported trade agreement with the United States help much. The *Associated Press* said in a dispatch from New York:

"It sounds good, but there are considerable difficulties. This is

EVENTS IN BRIEF

The Chinese Customs and the Conservancy Board have promulgated a set of temporary salary measures which, among other things, abolishes the system of unequal pay for Chinese and foreign employees, thus ending a long standing complaint of Chinese employees. In the future, equal pay for equal work is to be the policy of these two organs.

* * *

Mayor Chen Yi and other members of the Shanghai Military Control Commission on July 10 began living on an austerity diet. This move is part of the widely-publicized thrift campaign designed to lessen the effects of the current food shortage and other economic problems. Henceforth, Mayor Chen will eat the meal known as "Ta Chao," (Big Kitchen) which consists of rice and one dish. The other two austerity diets for officials are, "Chung Chao" (Middle Kitchen) which consists of rice and one dish and one soup and "Hsiao Chao" (Small Kitchen) which consists of rice, two dishes and one soup.

* * *

The first meeting of the Preparatory Committee of the National Journalists' Association took place on July 13 in Peiping. The committee will map out plans for the first general meeting of the Association which is scheduled to open on September 1 (Journalists' Day) in Peiping.

* * *

The KMT was busy last week in attempts to worsen the flood throughout Central China. Nationalist troops still holding Shasi, important Yangtze River port below Ichang in western Hupeh, were reported to have commenced digging away the Chinkiang Dyke, the destruction of which would have threatened an area inhabited by about 2,000,000 people. PLA forces, however, in a surprise attack, captured the city before the dyke was breached. Meanwhile, KMT planes are conducting regular raids in Anhwei Province where attempts are made to bomb the dykes and machinegun the peasants who are attempting to strengthen the embankments.

* * *

Radio receiving sets may now be freely transported about the country by travelers. Actually the authorities have issued no regulations covering the use of radio receivers, but the old ones restricting their use, which were promulgated by the KMT, are now considered invalid.

* * *

Further developments on the "spy front" were reported from America this week as the US Central Intelligence Agency told Congress that 32 representatives of foreign governments which had been given visas to enter the United States by the State Department had records as spys. Twenty-one of these people, CIA charged, in the past "engaged in active communist organizational work of an underground or subversive nature outside their homelands." Meanwhile, the US Department of Justice was also busy looking for foreign spies. Attorney General Tom Clark revealed that 685 foreigners now in America were being investigated under suspicion of being spies. About 25 of these aliens are United Nations officials stationed in America.

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The Burmese Government has announced that it will take over operation of the Central Burma oilfields at Yenangyaung which were abandoned by the British-owned Burman Oil Company because of military activities in the area.

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The American Military Government at Frankfurt, Germany, stated last week that a majority of US zone Germans believe that Hitler's national socialism was a good idea, but that it was badly carried out. It was also announced from Frankfurt last week that Western Germans will choose the form of social system they want in elections—the first since 1932—scheduled for August 15.

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An inquiry into mob violence by masked Ku Klux Klan members in the state of Alabama was suspended in confusion last week when it was discovered that one of the jury members hearing evidence regarding the activities of this illegal organizational was himself a member of the Klan.

not the program suggested long ago for an American policy of buying stockpilable products to encourage world production. That was merely to guarantee a market at world prices. To agree to buy over a long period at fixed prices is an entirely different thing. And especially when it involves goods priced on the basis of a pegged currency, such as the pound."

More important and more significant is the change in American attitude. In this respect, the *Associated Press* added:

"The attitude on the part of the United States has changed, or at least is changing, as her own economic problems come more and more into the picture. There is at present much American criticism of the entire aid to Britain program. Opponents accuse her of not cooperating, of using American funds to fight American trade and to support a domestic economy which is not economical. The Labor government is accused of contributing to the high prices with a social security program which outstrips the financial ability of the country. It is accused of doing for British citizens, in an economy based on American financial support, what even rich America is unable to do for its own people. It is accused of using American money to set up state industry and state trading in opposition to American economic aims. The *Wall Street Journal* calls it totalitarian and compares it with Hitlerism. It makes pretty sure that there will be no more loans to Britain outside the Marshall Plan. And it makes it very doubtful that there will be any trade at fixed price agreements unless the direct subsidy angle is removed through devaluation of the pound, and perhaps not even then."

The *AP* story significantly concluded: "The United States is going to continue to back Britain—she is too important, and there is no alternative. But it seems obvious that there will be a price for further aid in the form of changed British practices."

In other words, the British government will have to change its "Socialist" experiment if it is to obtain more aid from the United States.

* * *

Poorly Impressed

DURING his European tour, the US Secretary of the Treasury, Mr. John Snyder, is said to have been favorably impressed in Paris and Stockholm and rather poorly impressed in London. *Reuter* disclosed:

"He was particularly pleased both with his reception in France and with what the French Finance Minister and the Foreign Minister had to say about European economic problems. It would be an exaggeration to say that Mr. Snyder was going home anti-British or pro-French. But in view of current differences in fundamental approach between Britain and France to the question of the right road for future European economic cooperation, Mr. Snyder's

In Chinese Magazines . . . .

Time

THE role of the Chinese intellectuals in the revolutionary movement and the way they can improve themselves under the new government are discussed in an article in *Time* magazine of July 16. According to the writer of the article, China's intellectuals are a valuable part of the nation.

"Being a semi-feudalistic and semi-colonial country, China's culture is shockingly backward," the article says. "More than 80 percent of the Chinese people are illiterate. The number of people who can read a few characters is very small. To be an intellectual is particularly difficult. Therefore, it is by no means accidental that intellectuals in China have been held in high esteem and respected everywhere. They are valuable property of the nation and society.

"The intellectuals have played a conspicuous part in the people's liberation struggles during the past 50 years. Without the efforts on the part of the intellectuals, the present conditions in this country would be unthinkable. The intellectuals constitute a vital link in the current united front of the Chinese people to oppose American imperialism and Chiang Kai-shek. The intellectuals are useful in rallying the broad masses of the people and in facilitating the stabilization of social order in the newly-liberated areas. This will be true in the future as well as at present. Even when the whole of China has been liberated, the reconstruction of the new China depends on the intellectuals, who represent the main source of supply of talent for the national reconstruction. With the rapid expansion of the revolution on a national scale, the problem of the shortage of revolutionary cadres has become more acute. A solution for this problem can be found only through the channel of the intellectuals.

"Without the participation of revolutionary intellectuals, the Chinese revolution could not have become what it is today. For the same reason, the building up of a new China would be impossible without participation by revolutionary intellectuals. Our general principle is to unite with all intellectuals in order to build up a new China, irrespective of class, political belief and party affiliation, and in order to achieve China's national liberation. China's intellectuals have a bright future before them if they dedicate themselves to the cause of the emancipation of the Chinese people. On the other hand, if they are resolved to follow the reactionary ruling classes to the bitter end, the only result would be destruction.

"There are two paths lying before China's intellectuals, one leading to light and the other to darkness. It is up to them to make the choice."

Although the intellectuals are of great value to the Chinese nation, they must improve themselves in order to fit into the new political picture, the writer points out.

"Since the intellectuals have rendered meritorious services in the past and they will be useful in the future, some people may come to the conclusion that the intellectuals hold first place in the revolution," he says.

"It is of course true that progressive intellectuals have played a big role in the revolution. But it must be clearly understood that they have been able to play this role only under the leadership of the proletariat. The intellectuals cannot render any useful service if they are isolated from the proletariat. As the result of their class origin and the kind of education they have received in a feudalist and bourgeois society, the intellectuals have many shortcomings. Unless these shortcomings can be corrected and overcome, the intellectuals cannot demonstrate their abilities to the fullest possible extent, because these shortcomings will prevent them from going hand in hand with the proletriat through thick and thin.

"First of all, there is the ideology of the exploiting class. The intellectuals have been able to receive their education and acquire knowledge at the expense of others. But instead of thanking these people for their labor, the intellectuals regard them as low class people, as coolies, and feel rather proud of the fact that educated people don't have to do manual labor and can exploit others.

"Because of their education and living conditions, the intellectuals from the very beginning have been confined to a small circle. Therefore, it is only natural that they should have become self-important, narrow-minded, and impractical. They are fond of day-dreaming, subjectivism and wishful thinking. Most intellectuals are rugged individualists. They just think of themselves alone and care very little about others. In other words, they have very little community life and they are ready to serve their own interest even at the expense of others."

In conclusion, the magazine elaborates on the necessity for overcoming the shortcomings of the Chinese intellectuals so that they may be able to march with the progress of the times.

One of the best ways to do so will be for the intellectuals to drop their false sense of superiority and mingle with the broad masses of workers and peasants, trying to learn from them. Although this will be a very painful process, it is the only way out, the magazine says.

What Chinese Papers Say...

RESUMPTION of an all-out offensive by the People's Liberation Army and the proposed conclusion of a Pacific Union to fight Communism were the principal topics commented on in editorials in the Chinese press last week.

* * *

General Offensive

THE *Sin Wen Pao* expressed the view that the general offensive the People's Liberation Army has recently launched is a timely answer to imperialist intervention against the people's China. It wrote among other things:

"The bugle call to the Army to march forward is being sounded again. A few days ago, the People's Liberation Army on the Central China Front launched a great offensive, and over an extended front of more than one thousand li, it has captured one after another 10 cities, including Ichang, Shasi, and Kian. The vanguards of the Army are marching directly on Changsha, Hengyang, and Kanchow. The People's Liberation Army in the Northwest, and the North China Army Group ordered for active combat in Shensi, after annihilating more than 40,000 men of four armies of the bandit troops under Hu Tsung-nan and Ma Pu-fang, also captured six cities, including Paochi and Fenghsiang, and are presenting an imminent threat to the provinces of Szechuen, Kansu and Chinghai.

"The current offensive is another large-scale operation against the remnants of the Chiang Bandits. This great march will lead to the liberation of all China, thorough and complete annihilation of the remnant influences of the Chiang bandits. Accordingly, the deluge of reports of successes has given us great encouragement and jubilation.

"The launching of the current offensive has been undertaken at a time when imperialism and the Chiang bandits are enforcing a blockade of our coast line, when the bandit planes are continuously creating disturbances in various areas and slaughtering our people, and when the Chiang bandit and that police dog of American imperialism in the Far East, Quirino, are staging a double-act and clamoring for a 'Pacific Union'. The successes of the offensive of the People's Liberation Army will deal the reactionaries a direct blow. It is time for the imperialists and the reactionaries to wake up to realize that the people of China will never bow before the reactionaries. We shall carry out effective counter-blows in answer to any challenge of the reactionaries, who will assuredly eat of their own bitter fruit. . ."

* * *

Pacific Union

THE *Ta Kung Pao* saw the hidden hand of the United States behind the much-advertised campaign for a Pacific Union. It pointed out:

"During the past two weeks, Chiang Kai-shek went all out to play a leading role in a number of monkey shows. The series of shows started when the correspondent of the notorious reactionary paper, the *New York World-Telegram*, collaborated with Chiang to release a statement for the latter to make a pitiful appeal for aid. Chiang next sent his emissaries to the American Consulate at Canton for instructions about his trip to the Philippines to see Quirino. After receiving the instructions, Chiang resolutely put out of his mind the fact that he was one of the world's 'big shots' who had once sat shoulder to shoulder with the President of the United States, and on July 10 condescended to pay a personal visit to the Philippines to be received in audience by the Philippine President Quirino, a small stooge of American imperialism. And these two stooges between them went to the extent of announcing the decision of putting up what is called the 'Pacific Union.'

"In ordering Chiang and Quirino to organize the 'Pacific Union,' American imperialism's major objective is not so much to give Chiang Kai-shek moral support as to realize its own ambitions by means of such a Union. It is stated that the Union is to be centered on Chiang, the Philippines and South Korea. The base for this Union is formed by the various islands and peninsulas in the West Pacific, including Taiwan. However, the rulers of all these regions are all crippled and disabled. So the only consolation is that representatives of the Japanese 'Emperor,' MacArthur, participated in the meeting, while Wu Te-chen will immediately be proceeding to Japan to receive personal instructions from MacArthur himself. . .

Thus it will be seen that the real backing of the Union is MacArthur, who is closely in league with Badger, and his Japan, and not Chiang, the Philippines and South Korea, is the mainstay of this Union. It is virtually the revival of the former plan for the so-called Sino-Japan-Korean Alliance, with Quirino added, and the half of China formerly held by Chiang taken out. Fortunately, Taiwan is still in Chiang's hands, and old Mac can still proceed with his manipulation of the puppets. Of course it will also be recalled that American imperialism had some time ago instigated the Taiwan traitors to clamor for independence, while more lately there has been the proposal to restore the island to Japan. But whether or not the present Axis with MacArthur as the central figure can be developed into a military aggression of China, particularly of Taiwan, will depend on the people of China, and the people of the world, including the United States, and not on the subjective ambitions of imperialism."

good impressions of more expansive French views may mean that the French will receive a better hearing in Washington than they have during most of the post-war period. . . . Mr. Snyder's talks with Sir Stafford Cripps do not seem to have advanced matters much. The Secretary listened to Sir Stafford most of the time and did not like much of what he had heard. Some members of the Treasury party feel that Sir Stafford tried a little hard to sell Mr. Snyder on the British interpretation of the present dollar crisis and how it should be solved."

Snyder's conferences with Italian and French government leaders have aroused considerable speculation. It is pointed out by members of Snyder's entourage that his European tour is likely to exert considerable influence on United States foreign policy. It is understood that Snyder had done a lot of listening and very little talking.

* * *

Pacific Union

AS the result of the conference between Chiang Kai-shek and Philippine President Elpidio Quirino, a movement is now under way to form a so-called Pacific Union to "contain and counteract the threat of Communism." It is reported that Chiang Kai-shek's Kuomintang China, the Philippines, and Syngman Rhee's South Korea will form the basis of the proposed Pacific Union, which will eventually include Burma, Indonesia, Australia and New Zealand.

After his conference with Quirino, Chiang Kai-shek visited Canton in order to boost the sagging morale of the refugee Kuomintang government, which has already moved a large portion of its equipment and personnel to Chungking and Formosa in anticipation of the impending drive by the People's Liberation Army.

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The Review's English Lesson—XC

Prepositions and Articles

IT is the little things that count, in English grammar as in other systems. The fact that English has grown up through a rather haphazard process of accretion, borrowing and changing much from other languages, makes it harder to learn "the little things" by rule. Perhaps the best way to learn them is to read good English as much as possible.

* * *

ONE class of little things is the prepositions, which indicate place, time, condition etc. Many uses of prepositions are dictated by custom and habit rather than necessity. For example, "I was waiting the railway station" looks peculiar and makes little sense because there is no preposition before "the." Now, one might say, "in the railway station", "on the railway station", "before the railway station", etc. But the usually correct expression is, "I was waiting at the railway station." "Waiting" (for someone or something to come) in fact, seems to require "at": waiting at the store, at the gate, at the theatre. However, a restaurant waiter waits **on** the customers.

Or, take prepositional phrases indicating possession. Ordinarily, it is simpler to show possession by using the possessive adjective: my book, his car, their army. But this cannot be done in such a sentence as, "I met a good friend of mine." Here, the prepositional phrase, "of mine", must be used, following the noun it modifies; or, one could say, "I met one of my good friends."

To indicate duration of time, as in "I had not seen him in three years", either "in" or "for" may be used; or, somewhat differently, "I had not seen him during the three years both of us were in Shanghai."

"To" indicates both direction toward a place and arrival there, as "My friend asked me to go to his house." Note that "to go" is the infinitive form of the verb, and "to" is not a preposition. "To his house" is a prepositional phrase that answers the question, "Where?"

"As", used as a preposition, means in a manner like that of, equal or up to, in the idea, character, capacity or condition of. "The people rose as one man", "as chaff before the wind", "as an imperialist, he can expect little consideration", "position as editor", "as a result", "as a rule".

Take this sentence, for example: "**In** the afternoon I went **to** the movies." The essential idea of the sentence is expressed in the simple subject-verb combination, "I went". The prepositional phrase "In the afternoon" tells when I went, and the prepositional phrase, "to the movies" tells where I went. "In" is used with expressions of time, usually short ones, or when the action is a short one. "To" again indicates direction toward and arrival at a place.

Another sentence: "The building **at** the end of the street was bombed." "At the end" tells where the building was: simple, static location (like "waiting at the station"); "of the street" modifies end, answering the question, "end of what?"

And another: "He died **of** pneumonia **in** the hospital." In thus speaking of death and its cause, "of" is used: "he died of wounds received in battle", "he died of old age", etc. The use of "in" points up the illogicality of English grammar. Why not "at the hospital"? Well, it isn't used, possibly because "in" referring to a place suggests being surrounded or protected. One lives **in** China, **in** Shanghai, **in** one's house; but one stays **at** the Pacific Hotel.

* * *

NOW to discuss another group of little things: the articles. A noun may be preceded by no article, by the indefinite article "a", or by the definite article "the". There seems to be a great confusion about the proper use of these little words. Take the sentence, "China is a country with the largest population of any in the world." No article is needed here with "China": one cannot say, "a China", because that implies there are many Chinas; nor can one say, "the China", because by custom "the" is used with certain countries only, such as the Netherlands, the United States. In "a country", the indefinite article is used because there are many countries, of which China is one. For emphasis, "the" may be used, as in "China is the country in the world I like best."

The above is general usage; and for special cases, different articles are used. For example, one says, "the New China" (as distinguished from the old China) when referring to China of today.

In "China is a country with large resources", no article precedes "large resources" because the noun is plural, and thus "a" cannot be used; and it is not definite enough to point out as "the". Generally speaking, China has large resources. However, if one had enumerated China's resources in a previous sentence, one might say, "The large resources of China have not yet been developed." Here, the definite article is used to refer to things already specified.

"The" is, properly speaking, a demonstrative adjective (usually called the definite article) used chiefly before a noun to individualize, specialize or generalize its meaning, having a force thus distinguished from the indefiniteness of "a" or "an" and from the abstractness of the unqualified noun. So, "the man" points to a particular man; "a man" points to any man; and "man" points to man in general.

Generally, "the" is used to indicate identity with something previously mentioned, as "at the beginning of this lesson", but there are many exceptions and special uses, which can best be learned by reading and practice.

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